

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
/066 W
-----000436 290649Z /16

R 280800Z AUG 78
FM AMEMBASSY PORT MORESBY
TO SECSTATE WASHDC 3622
INFO AMEMBASSY CANBERRA
CINCPAC HONOLULU

C O N F I D E N T I A L SECTION 1 OF 2 PORT MORESBY 1414

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PINT, PP
SUBJECT: AUGUST SITTING OF PARLIAMENT, A WRAP-UP

REF: A) PORT MORESBY 1391 B) PORT MORESBY 1395

1. SUMMARY: DESPITE PUBLIC IMPRESSIONS, PARLIAMENT, WHICH
CLOSED AUGUST 25, HAD PRODUCTIVE LEGISLATIVE SESSION.
HOWEVER, ATTENTION FOCUSED ON LEADERSHIP CODE AND MOTION
OF NO-CONFIDENCE. SOMARE POSSIBLY GAINED FROM BOTH. TACTIC
ON CODE PERMITTED HIM TO FAULT PARLIAMENT ON WHAT HE
BELIEVES GOOD ISSUE ON WHICH TO GO TO PUBLIC IN FUTURE
WHILE AVOIDING DIVISIVE DEBATE AND DEFEAT NOW. NO-CONFI-
DENCE VOTE SHOWED STRENGTH OF PANGU/PPP COALITION, AS LONG
AS CHAN SUPPORTS SOMARE. HOWEVER, CHAN, BY APPARENTLY
DECEIVING OPPOSITION, MAY HAVE REDUCED FUTURE OPTIONS.
SESSION WAS UNRULY AND PROSPECTS FOR IMPROVEMENT ARE DIM.

END SUMMARY.

2. DESPITE PUBLIC IMPRESSIONS, FOSTERED BY THE MEDIA,
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PARLIAMENT ENDED A PRODUCTIVE SESSION ON AUGUST 25.
WHILE ATTENTION FOCUSSED ON THE LONGDEBATES AND
MANUEVERING ON THE NO-CONFIDENCE MOTION AND THE LEADERSHIP
CODE, PARLIAMENT APPROVED A NUMBER OF IMPORTANT BILLS
INCLUDING INTER ALIA: A) INCOME TAX (MINING AND
PETROLEUM) LAW TO GIVE INVESTORS ADEQUATE RETURN, AT
SAME TIME PERMITTING GPNG TO SECURE GREATEST POSSIBLE

REVENUE, A LAW DESCRIBED BY MINIERALS AND ENERGY MINISTER KITCHENS AS ONE OF MOST SIGNIFICANT SINCE INDEPENDENCE; B) IMMIGRATION, A TOUGHER LAW WITH SIMPLIFIED CONTROL; C) WORKMEN'S COMPENSATION, BETTER ADAPTING IT TO CUSTOMARY LAW; AND D) PUBLIC EMPLOYMENT, TIGHTENING CONTROLS OF WORK PERMITS FOR EXPATRIATES.

3. NATURALLY, LEADERSHIP CODE AND MOTION OF NO-CONFIDENCE HAD SEX APPEAL AND DREW RAPT ATTENTION. KNOWING HE WAS BEATEN ON CODE, SOMARE USED PROCEDURAL TACTICS WHICH ENABLED HIM TO ACCUSE PARLIAMENT OF THWARTING EFFORT TO PASS BENEFICIAL LEGISLATION OF GREAT PUBLIC IMPORTANCE OR EVEN TO HAVE IT DEBATED (HE COULD HAVE, WITHOUT DIFFICULTY, PUT IT ON NOTICE AND IT WOULD HAVE COME UP FOR DEBATE A DAY LATER). AT SAME TIME HE AVOIDED BOTH DIVISIVE DEBATE AND ULTIMATE DEFEAT. NO-CONFIDENCE MOTION BASICALLY COVERED IN REFTELS. WE REITERATE THAT PANGU/PPP GOVERNING COALITION UNBEATABLE AS LONG AS TWO STICK TOGETHER. CHAN OBVIOUSLY IN VERY STRONG POSITION ALTHOUGH HIS APPARENT MISLEADING OPPOSITION INTO BELIEVING HE WOULD VOTE FOR NO-CONFIDENCE MOTION MAY HAVE REDUCED HIS FUTURE OPTIONS. GIVEN EVENTS OF LAST WEEK, IT MAY BE LONG TIME BEFORE OKUK WOULD AGAIN CONSIDER MAKING A DEAL WITH JULIUS CHAN. AS FOR SOMARE, HE UNDOUBTEDLY STILL NUMBER ONE AND STILL CONTROLS LARGEST UNIFIED BLOC IN PARLIAMENT BUT SOME OF THE LUSTRE HAS WORN OFF. HEAT
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IS ON FOR HIM, AMONG OTHER THINGS, TO DUMP UNEDUCATED AND IN ONE CASE, SEMI-LITERATE, MINISTERS.

4. MAY SESSION OF PARLIAMENT BECAME SO ROWDY THAT IT WAS ADJOURNED EARLY. AUGUST SITTING WAS NOT MUCH BETTER. NUMBER OF FACTORS, SOME PROBABLY INEVITABLE, HAVE ERODED LEADERSHIP'S CONTROL. FIRST, MANY MEMBERS ARE FRUSTRATED OVER THE LACK OF CONCRETE DEVELOPMENT PROJECTS IN THEIR HOME DISTRICTS. SECOND, THERE HAS BEEN A POST-INDEPENDENCE LET DOWN. MEMBERS THEMSELVES SAY THAT INTELLECTUALLY THEY ACCEPTED FACT THAT INDEPENDENCE WAS NOT A PANACEA. HOWEVER, EMOTIONALLY THEY FELT IT MIGHT BE. FULL REALIZATION OF REALITY HAS NOW HIT MOST OF THEM. THIRD, THE CONSERVATIVE OLD GUARD, LED BY FORMER LEADER OF THE OPPOSITION AND OF UNITED PARTY, SIR TEI ABAL, HAS LOST POWER AND INFLUENCE TO YOUNGER AND MORE DYNAMIC POLITICIANS. FOR ILL OR GOOD, SOMARE NOW FACES AN ACTIVE OPPOSITION WHICH NOT ONLY WILL KEEP GOVERNMENT ON ITS TOES BUT WHICH ALSO IS ANXIOUS TO ASSUME CONTROL OF THE GOVERNMENT, AN ALTERNATIVE SIR TEI PROBABLY NEVER SERIOUSLY CONSIDERED AND WOULD NOT HAVE WANTED.

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C O N F I D E N T I A L SECTION 2 OF 2 PORT MORESBY 1414

CINCPAC FOR POLAD

5. OPPOSITION LEADER OKUK PROBABLY WAS CORRUPT WHEN IN GOVERNMENT. HOWEVER, HE HAS DONE A NUMBER OF POSITIVE THINGS. HE HAS REJUVENATED THE OPPOSITION AND PROVIDED AN ALTERNATIVE AS DESCRIBED ABOVE. HE HAS MADE PUBLIC HIS ASSETS AND, WHILE EXPENDING MOST OF HIS EFFORTS IN ATTACKS ON THE GOVERNMENT IN GENERAL AND TRANSPORT MINISTER JEPHCOTT IN PARTICULAR (A PERSONAL VENDATTA), HE HAS OUTLINED INVESTMENT AND FINANCIAL POLICIES WHICH AT LEAST PROVIDE SOME ORIENTATION. THAT ORIENTATION, LIKE THAT OF CHAN'S PPP, IS STRONGLY PRO-PRIVATE ENTERPRISE EMPHASIZING ENCOURAGEMENT OF FOREIGN INVESTMENT, PROPOSING NEW INDUSTRIES AND "IMPORT SUBSTITUTION AND EXPORT CREATION" SCHEMES. ALSO, HE PROPOSED TO GET GOVERNMENT OUT OF HOUSING BUSINESS BY OFFERING NATIONAL HOUSING COMMISSION TENANTS (VIRTUALLY ALL GOVERNMENT EMPLOYEES NATIONWIDE) OPPORTUNITY TO PURCHASE HOMES WITH LONG-TERM, LOW-INTEREST LOANS.

6. APART FROM OKUK'S GENERAL PRO-PRIVATE ENTERPRISE POSTURE AND HIS OCCASIONAL ACCUSATIONS THAT GOVERNMENT PROGRAMS ARE "COMMUNISTIC AND SOCIALISTIC," THIS SESSION,
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LIKE PREVIOUS ONES, WAS PRACTICALLY DEVOID OF IDEOLOGY,
THE ONLY EXCEPTION BEING DECENTRALISATION MINISTER
FR. JOHN MOMIS WHO DID ADDRESS ISSUES IN IDEOLOGICAL
TERMS. MOMIS' BEHIND-THE-SCENES ROLE IS NOT CLEAR BUT,
IN PUBLIC STATEMENTS, HE CALLED FOR INCREASED NATIONALISM,
SAID THE PRESENT ECONOMIC AND POLITICAL POWER STRUCTURE
HAD TO BE OVERHAULED AND ALLUDED TO A NEW COALESCENCE
OF POLITICAL GROUPS, IF NECESSARY TO EFFECT CHANGE.
MOMIS WANTS TO MOVE PANGU TO THE LEFT, TO GET TOUGHER ON
FOREIGN INVESTMENT AND TO PRESERVE THE VILLAGE ORIENTATION
OF THE SOCIETY. WHILE CHAN AND SOMARE COMPLEMENT ONE
ANOTHER IN GOVERNMENT, PPP IS MUCH MORE IDEOLOGICALLY
COMPATIBLE WITH THE OPPOSITION THAN WITH THE LIBERAL
WING OF PANGU. IN TIME, A REALIGNMENT OF LIKE-MINDED
POLITICAL GROUPS MIGHT COME ABOUT--BUT NEITHER CHAN NOR
PARLIAMENT WAS READY FOR SUCH A MOVE LAST WEEK.
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